

**SPECIFY TYPE OF
EXAMINATION**

FIRST ATTEMPT

FIRST RESIT

SECOND RESIT

RE-TAKE



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF AGRICULTURAL AND FOOD SCIENCES**

**SECOND YEAR SECOND SEMESTER UNIVERSITY EXAMINATION FOR THE
DEGREE OF BACHELOR OF SCIENCE IN AGRIBUSINESS MANAGEMENT**

2022/2023 ACADEMIC YEAR

REGULAR

COURSE CODE: AEB 1206

COURSE TITLE: AGRICULTURAL FINANCE

DATE:

TIME:

TIME: 2 HOURS

Instructions

- 1. Answer ALL questions in Section A (compulsory) and ANY TWO questions in Section B**
- 2. Candidates are advised not to write on the question paper**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**



Registration No.....

SECTION A: 30 Marks (Answer all the questions in this section)

1. Define the term Agricultural Finance (2marks)
2. Identify and briefly explain FIVE challenges to agricultural financing in Less developed countries (5 marks)
3. Describe the **FOUR** cluster groups in the agricultural sector that require financing (4 marks)
4. Briefly explain the **THREE** principles of credit (3 marks)
5. Describe the **FIVE** characteristics that are considered when evaluating the credit worthiness of a business (5 marks)
6. State and briefly explain **FIVE** measures that can be put in place to strengthen the risk-bearing ability of farmers (5marks)
7. Repayment is the ability of the farmer to clear off the loan obtained for production purposes within the time fixed by the bank. In this context, briefly explain **FIVE** causes of poor repayment capacity among smallholder farmers in Developing Countries (5marks).

SECTION B: 40 Marks (Answer any two questions in this section)

8. a) Discuss the role of government in regulating agricultural finance (10 marks)
b) Discuss the key government policies that affect agricultural finance (10marks)
9. a) Lending agencies in the agricultural sector only lend to those projects within the format of the principles of lending. Discuss the three financial aspects that are assessed by the banker in determining the economic feasibility of the project (10 marks)
b) The increased role of financial institutions due to technological changes on the agricultural front has necessitated the evolution and principles of farm finance, which are expected to bring not only commercial gains to bankers but also social benefits to end-users. In this context, discuss these principles of farm finance (10 marks)
10. A better understanding of how businesses measure financial performance can help in providing additional value to the business's daily activities. In this context discuss the financial performance measures that agribusinesses should monitor to ensure financial success (20marks)